50 Per cent Cost Reduction Benefit of Drugs

1334. SHRIMATI SATYA BAHIN: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 1668 given in the Rajya Sabha on the 12th September, 1991 and state:

(a) what are the names of drugs in respect of which 50 per cent cost reduction benefit as Research and Development incentive has been recommended by the BICP;

(b) what is the amount of this incentive per unit of drug and what decision has been taken by Government on this issue;

(c) whether it is a fact that Government have found tailoring and loading of prices of certain drugs recommended by BICP;

(d) if so, names of such drugs pertaining to the reports of BICP during the last three years and what are their details; and

(e) what action was taken by Government in this matter ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) The incentive for in house R&D efforts by a drug company by allowing retention of 50 per cent of reduction in cost of a bulk drug due to such effort has been extended only to bulk drug 'Isoxuprine' so far in consultation with BICP. The amount of the incentive given is Rs. 1041/- per kg.

(c) No, Sir.

(d) and (e) Do not arise.

Certain Medicines Outside Price Control

1335. SHRI H. HANUMANTHAPPA: Will the PRIME MINISTER be pleased state:

(a) whether it is a fact that Burnol, Calcium Sandoz Syrup, Leukaran Tablets 5 mg., DBI Tablets, Atropine Eye Ointment are outside price control;

(b) what are the names of the manufacturers of each medicine and what is the purpose for which each is used;

(c) whether it is a fact that prices of thest medicines have gone up without any justification;

(d) what was the price of each pack, strength of each medicine before DPCO, 1987 and what is its present price;

(e) what is the bulk drug on which each of these medicines are based and what are the names of producers of each drug; and

(f) what was the production of each drug of each producers during the last three years, yearwise ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) Yes, Sir.

(b) and (d) to (f) To the extent available, information has been given in the Annexure, (*See* Appendix CLXI, Annexure No. 35).

(c) In a situation of rising costs of inputs, some amount of price increase is unavoidable. However, as and when unusual price rise of any price decontrolled formulation is noticed, Government intervenes to bring it to a reasonable level. This intervention, however, can be enforced only if the pre-tax return on the sales turnover of the company exceeds the limits mentioned in Fifth Schedule to the DPCO, 1987.

Ceiling Prices of Drugs

1336. SHRI H. HANUMANTHAPPA: Will the PRIME MINISTER be pleased to state:

(a) what are the names of the drugs under earlier ceiling prices and revised ceiling prices notified after January, 1991;

(b) whether it is a fact that Government have accepted the recommendations of BICP in all these cases;

(c) if so, the details thereof;

(d) whether it is a fact that Government have set up a wing to examine, check and verify the recommendations;

(e) if so, what are the details of findings of this wing on these recommendations;

(f) whether Government have evolved any guidelines for allowing escalation and if so, since when they were put in operation; and

(g) what is the legal sanctity of the guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (g) The prices of Scheduled bulk drug are fixed/revised in accordance with the provisions laid down under DPCO, 1987 and are notified in the Extra Ordinary Official Gazette from time to time. After January 1991, prices of more than 130 bulk drugs have been fixed/revised. These prices have been fixed/revised in accordance with the cost-*cum*-technical study conducted by the BICP and detailed examination of these reports by the Department of Chemicals and Petrochemicals or on the basis of escalation formula given in BICP Report. The BICP Reports which are confidential in nature are essential input for decision making in the process of Price fixation/revision.

Increasing MAPE in 1986 Measures

1337. SHRI K. G. MAHESH WARAPPA: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 1666 given in the Rajya Sabha on the 12th September, 1991 and state:

(a) what are the reasons for increasing MAPE in 1986 measures;

(b) whether it is a fact that Government did not study the adekuacy of commission on drug prices before increasing the trade commission;

(c) what were the basis on which increase in Trade Commission was decided and what is the name of the authority who recommended the increase; and

(d) what steps have been taken to reduce Trade Commission and investigate the matter?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) With a view to stimulate production of drugs & formulations and to provide reasonable return to the producers of essential drugs and reasonable returns to the manufacturers, MAPE had been increased in the Measures announced in December, 1986.

(b) and (c) Since there was increase in MAPE under DPCO, 1987, it was felt necessary to pass on its benefit to trade also. The existing trade commission is based on the recommendations made by the Committee constituted under the Chairmanship of the then Chairman, BICP.

(d) The extent of trade commission remained a contentious issue even after its increase under DPCO, 1987. Government had, therefore, constituted a Committee under the Chairmanship of Dr. I. Z. Bhatty, the then Director General, NCERT, for undertaking a detailed and comprehensive study of the pattern of Trade Margins in the Pharmaceutical Industry. Final Report of the Committee is awaited.

Rectification of Discrepancies by B.I.C.P.

1338. SHRI M. A. BABY: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 1652 given in the Rajya Sabha on the 12th September, 1991 and state:

(a) what are the details of discrepancies which were rectified by BICP based on which price increase of Vitamin C and its salts were recommended;

(b) what are the reasons on which discrepancy occured in the original report of BCP and at whose instance it was detected;

(c) what is the stage from which Vitamin C is being produced and what are